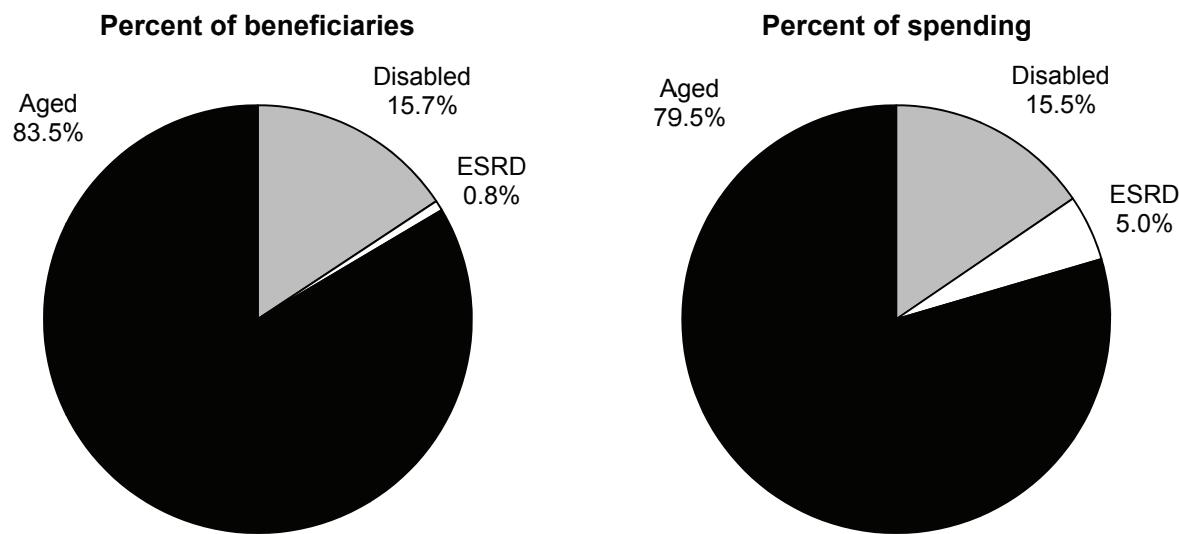


SECTION

2

**Medicare beneficiary
demographics**

Chart 2-1. Aged beneficiaries account for the greatest share of the Medicare population and program spending, 2008

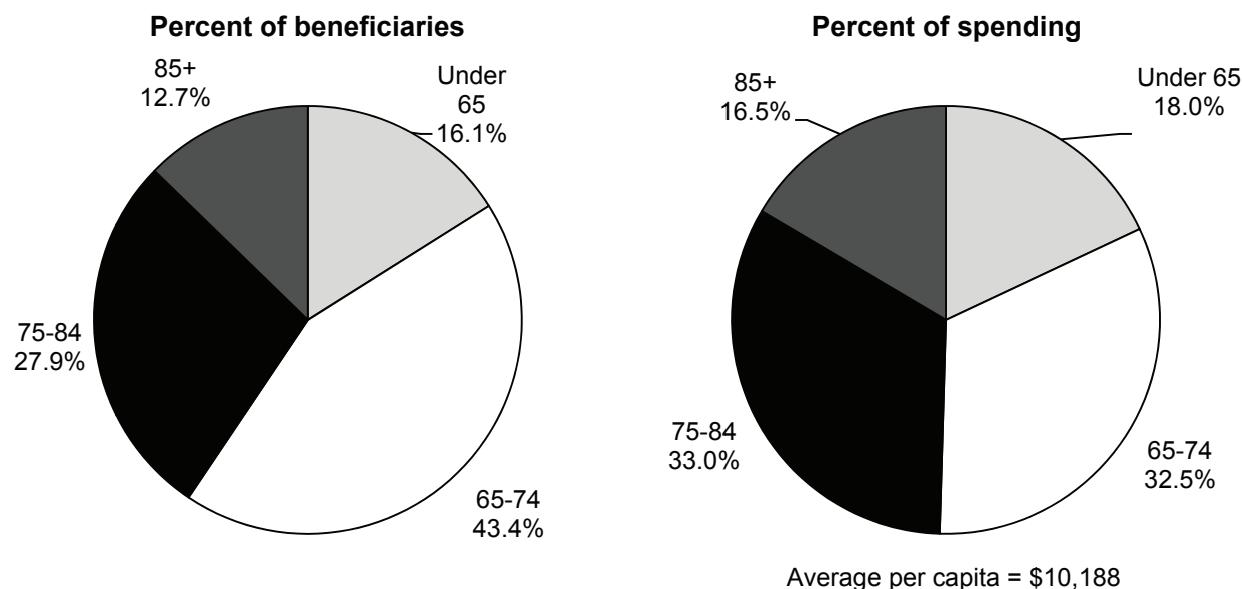


Note: ESRD (end-stage renal disease). The aged category refers to beneficiaries age 65 or older without ESRD. The disabled category refers to beneficiaries under age 65 without ESRD. The ESRD category refers to beneficiaries with ESRD. Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2008.

- In 2008, aged beneficiaries 65 and older without ESRD composed 83.5 percent of the beneficiary population and accounted for 79.5 percent of Medicare spending. Beneficiaries under 65 with disability and beneficiaries with ESRD accounted for the remaining population and spending.
- In 2008, average Medicare spending per beneficiary was \$10,188.
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than six times greater than aged beneficiaries 65 years or older (without ESRD) and beneficiaries under age 65 with (non-ESRD) disability. In 2008, \$65,256 was spent per ESRD beneficiary versus \$9,676 per aged beneficiary 65 years or older (without ESRD), and \$10,010 per beneficiary under age 65 enrolled due to disability.

Chart 2-2. Medicare enrollment and spending by age group, 2008

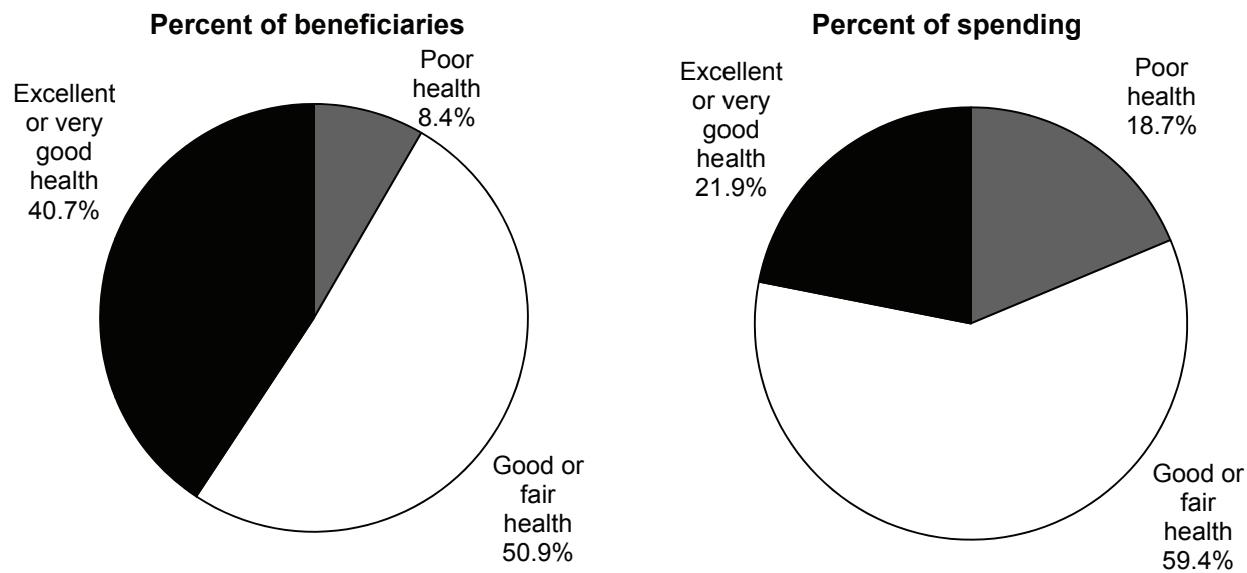


Note: Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2008.

- For the aged population (65 or older), per capita expenditures increase with age. In 2008, per capita expenditures were \$7,626 for beneficiaries aged 65 to 74, \$12,077 for those 75 to 84, and \$13,219 for those 85 or older.
- In 2008, per capita expenditures for Medicare beneficiaries under age 65 enrolled due to end-stage renal disease or disability were \$11,426.

Chart 2-3. Beneficiaries who report being in poor health account for a disproportionate share of Medicare spending, 2008



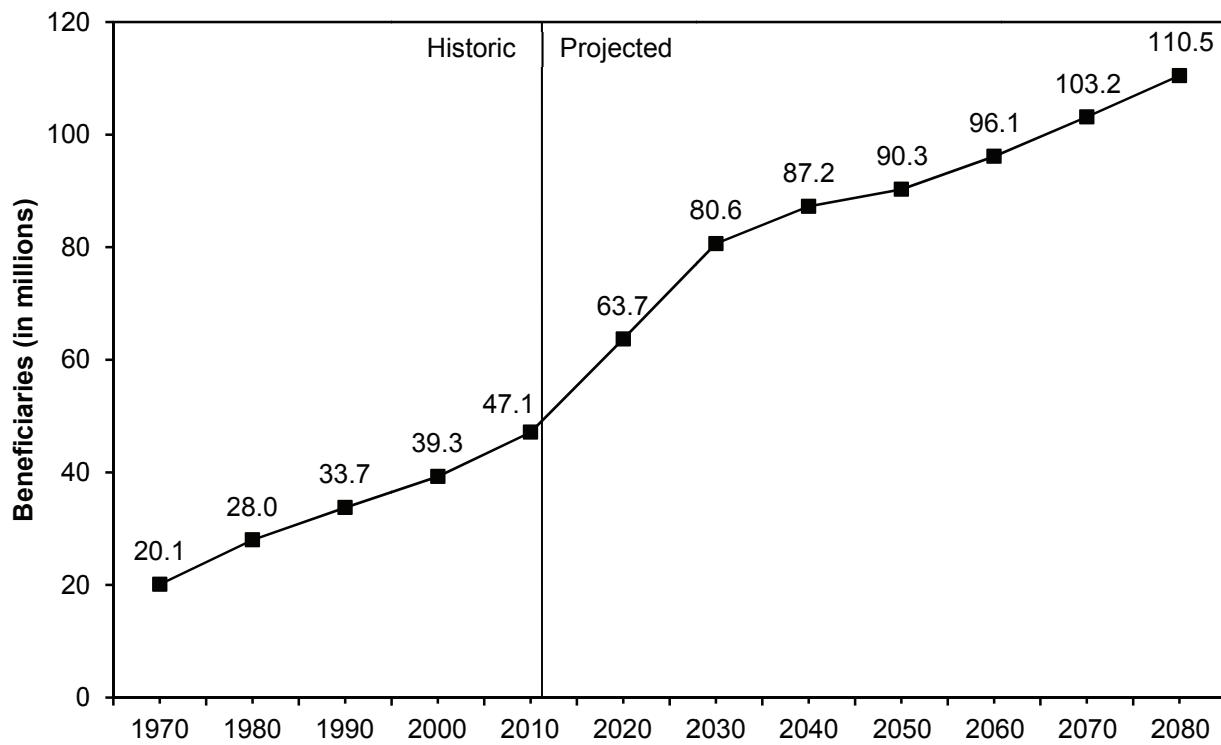
Average per capita = \$10,188

Note: Results include fee-for-service, Medicare Advantage, community dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2008.

- In 2008, most beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2008, per capita expenditures were \$5,437 for those who reported excellent or very good health, \$11,795 for those who reported good or fair health, and \$22,612 for those who reported poor health.

Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly in the next 20 years



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: CMS Office of the Actuary, 2012.

- The total number of people enrolled in the Medicare program will increase from 47 million in 2010 to 81 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will increase more slowly after the entire baby-boom generation has become eligible.

Chart 2-5. Characteristics of the Medicare population, 2008

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
Total (46,048,125)	100%	Living arrangement	
Sex		Institution	5%
Male	45	Alone	29
Female	55	Spouse	49
		Other	18
Race/ethnicity		Education	
White, non-Hispanic	78	No high school diploma	25
African American, non-Hispanic	9	High school diploma only	31
Hispanic	8	Some college or more	44
Other	5		
Age		Income status	
<65	16	Below poverty	17
65–74	43	100–125% of poverty	9
75–84	28	125–200% of poverty	19
85+	13	200–400% of poverty	31
		Over 400% of poverty	24
Health status		Supplemental insurance status	
Excellent or very good	41	Medicare only	9
Good or fair	51	Managed care	23
Poor	8	Employer	33
		Medigap	16
Residence		Medigap/employer	4
Urban	76	Medicaid	14
Rural	24	Other	1

Note: Urban indicates beneficiaries living in metropolitan statistical areas (MSAs). Rural indicates beneficiaries living outside MSAs. In 2008, poverty was defined as income of \$10,326 for people living alone and as \$13,030 for married couples. Totals may not sum to 100 percent due to rounding. Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file, 2008.

- Close to one-quarter of beneficiaries live in rural areas.
- Twenty-nine percent of the Medicare population lives alone.
- One-quarter of beneficiaries have no high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance.

Web links. Medicare beneficiary demographics

- CMS Data Compendium contains historic, current, and projected data on Medicare enrollment.

<http://www.cms.gov/DataCompendium/>

- The CMS website provides information on Medicare enrollment by state.

<http://www.cms.gov/MedicareEnRpts>

- The CMS website provides information about the Medicare Current Beneficiary Survey, a resource on the demographic characteristics of Medicare beneficiaries.

<http://www.cms.gov/mcbs>